

Board of Trustees Meeting

Thursday, May 25, 2000, 9:30 a.m.

Utah Association of Counties Building

A G E N D A

- | | | |
|-------|--|---------------|
| 9:30 | Call to Order | Gary Herbert |
| | Review of Board Members Absent | Gary Herbert |
| | Approval of March and April Minutes | Gary Herbert |
| | Amendments to Administration and Building Agreements | Brent Gardner |
| | Director's Report | Brett Rich |
| | Appraisal of County Buildings | |
| | Daggett County Membership Proposal | |
| | List of Pending Projects | |
| | First Quarter Broker Performance Review | Brett Rich |
| | Loss Control Manager's Report | Shawn Guzman |
| | Personnel Workshop | |
| | Planning & Zoning Training ULGT/UACIM | |
| 11:30 | Lunch Break | |
| | Summary of Financial Statements | Brett Rich |
| | Set Date and Time for Closed Meeting
to Discuss Pending or Reasonably Imminent Litigation | |
| | Action on Litigation Matters | Kent Sundberg |
| | Vacancy of Director's Position | Brent Gardner |
| | Set Date and Time for Closed Meeting
to Discuss the Character, Professional Competence, or Physical or Mental Health of an Individual | |
| 1:30 | Adjourn | |

UACIM BOARD OF TRUSTEES MEETING MINUTES

May 25, 2000, 9:30 a.m.
Utah Association of Counties Building

BOARD MEMBERS PRESENT

Gary Herbert, *President*, Utah County Commissioner
Sarah Ann Skanchy, *Secretary-Treasurer*, Cache County Council Member
Ken Bischoff, Weber County Commissioner
Chad Johnson, Beaver County Commissioner
Ty Lewis, San Juan County Commissioner
Royal Norman, Box Elder County Commissioner
Tex Olsen, Sevier County Commissioner
Kent Petersen, Emery County Commissioner
Kent Sundberg, Utah County Deputy Attorney

BOARD MEMBERS ABSENT

Dan McConkie, *Vice President*, Davis County Commissioner
Ed Phillips, Millard County Sheriff

OTHERS PRESENT

Brent Gardner, UAC Executive Director
Brett Rich, Director, UACIM
Shawn Guzman, UACIM Loss Control Manager
Jeff Powell, McLarens Toplis Claims Manager

CALL to ORDER

Gary Herbert called the meeting to order and welcomed those in attendance.

REVIEW of BOARD MEMBERS ABSENT

Dan McConkie requested to be excused from this meeting due to a family matter. Ed Phillips requested to be excused from this meeting due to a prior commitment. Chad Johnson made a motion to excuse Dan McConkie and Ed Phillips from this meeting. Kent Petersen seconded the motion, which passed unanimously.

APPROVAL of MINUTES

The minutes of the Board of Trustees meeting held March 30 and April 27, 2000 were previously sent to the Board Members for review. Chad Johnson made a motion to approve the minutes as written. Tex Olsen seconded the motion, which passed unanimously.

AMENDMENTS to ADMINISTRATIVE and BUILDING AGREEMENTS

Brent Gardner reported that he relayed the concerns of the Board to Bill Peters relating to the draft building agreement. Bill is heavily involved with Centrally Assessed appeals until June 1 and has requested that he address these concerns at the next Board meeting. Kent Sundberg reported that he and Brett Rich thoroughly reviewed Bill's draft agreement and recommend that it not be used for the purposes outlined by the Board. Instead, they recommend a sub-lease purchase agreement. Kent and Brett spoke with Jon Bronson of Zions Bank and Nancy Lew of Ballard Spahr Andrews & Ingersoll who both agreed that there would be no problem in drafting a sub-lease purchase agreement to concur with the Utah Association of Counties' lease purchase agreement. Kent Sundberg made a motion to proceed in drafting a sub-lease purchase agreement through Ballard Spahr Andrews & Ingersoll. Ty Lewis seconded the motion, which passed unanimously.

DIRECTOR'S REPORT

Appraisal of County Buildings. Brett Rich reported that he, Brent Gardner and several of the Trustees met with the Assessors Association on April 14 to request that the county assessors update the appraisals of the county owned properties instead of the Mutual hiring an outside appraisal firm. The assessors are willing to update the appraisals if 1) the Mutual allows the appraisals to be complete later in the year and 2) if they are provided with a complete listing of the county owned properties. The assessors indicated that they do not have the means to accurately appraise the contents of county owned properties. Brett recommended to the Board that an independent appraisal firm would guarantee consistency throughout the membership, content values would be estimated and the appraisals would carry a higher degree of confidence with the excess carrier.

Daggett County Membership Proposal. Brett Rich reported that a full membership proposal was prepared and presented to the Daggett County Commission on May 2. Shawn Guzman presented the efforts of the Loss Control Department. As of today, the County has not made a decision but all comments from the County officials have been positive.

List of Pending Projects. Brett Rich reviewed the following projects/issues that the Board may want to address in the future.

1. Various exemptions to the Insurance Code.
2. Modification of the Mutual's coverage agreement.
3. Premium formula modification to emphasize exposure more than past premiums and losses.
4. Pursue excess recoverables with AIG.
5. Replacement program for TULIP (Mutual write own program).
6. Monitor investments to maximize returns.
7. Awareness of members intending to bid insurance.
8. Structure variance, i.e. deductible amounts, SIR amounts, etc.

Coverage for Transmission Lines. Requests have been made for coverage of sewage collection systems. Transmission lines are now excluded under the property section of the coverage agreement unless they are within 1000 feet of a county owned building. It is a decision of the Board whether to include lines outside the 1000 feet limitation and whether to include liability coverage for transmission lines. This is another item to be addressed in the review and modification of the coverage agreement.

County Driver Motor Vehicle Reports. As a condition to coverage under the automobile liability section of the coverage agreement, members are required to submit motor vehicle reports (MVRs), for all employees/volunteers reasonably expected to operate an auto while in the scope of county employment, to the Mutual by June 1. In the past few days, some members expressed concerns over the legality of obtaining the MVRs and providing them to the Mutual. Brett Rich read a letter to the Board that he received from Steve Rawlings, Davis County Clerk-Auditor, expressing concerns and relaying the position of Davis County on this issue (see attachment #1). In 1999, when this condition was written into the agreement, the Mutual was statutorily entitled to these records pursuant to section 53-3-104(1) which reads, *the division shall (i) search the license files, compile and furnish a report on the driving record of any person licensed in the state when requested by any person.* During the 2000 legislative session, the legislature passed SB174 that amends section 53-3-104(1) and enacts section 53-3-109. The affect is that all records of the Division shall be classified and disclosed in accordance with Title 63 Chapter 2 GRAMMA and allows for disclosure of personally identifying information in compliance with the federal regulations. Brett Rich and Shawn Guzman have researched the applicable state and federal statutes and consulted with staff of the Division of Motor Vehicles who confirmed that insurance companies and political subdivisions of the State fall within the exemptions of the federal regulations and may therefore still obtain motor vehicle reports.

During the meeting, the Board contacted Dee Larson, Legislative Research Staff Attorney, who drafted SB174. He told the Board that the effective date of the amendments was May 2, 2000. He also confirmed the position of the Department of Motor Vehicles regarding the continued ability of either counties or the Mutual to obtain the reports.

Due to the recent questions about the legality of obtaining and providing the MVRs, Chad Johnson made a motion that for purposes of providing and maintaining auto liability coverage under the 2000 coverage agreement, the deadline for receiving the reports is extended from June 1, 2000 to July 1, 2000. However, the deadline shall not be extended for purposes of receiving credit under the Risk Management Program. Royal Norman seconded the motion, which passed unanimously. Brett Rich will ask the broker to notify and obtain consent to this extension from the reinsurer.

FIRST QUARTER BROKER PERFORMANCE REVIEW

The Broker's performance was discussed in closed meeting. Chad Johnson made a motion approving the payment of the first quarter bonus of \$5,000 to Arthur J. Gallagher & Company. Payment was approved in the amount of \$900 for additional property premium to Arthur J. Gallagher & Company. Kent Petersen seconded the motion, which passed unanimously.

LOSS CONTROL MANAGERS REPORT

Personnel Workshop. The third annual personnel workshop was held May 11-12. Shawn Guzman displayed the booklet that was given to each attendee that contained the schedule, bios of all speakers and their discussion materials. The attendees commented on the professionalism of this syllabus and how organized and useful the contents were during the workshop and that they will be able to refer to it time and time again in their offices. Each personnel director in the counties received the same information in a three-ring binder. Each year we will prepare the information for them to place in the binder as an easy reference for them. We had 116 registrants and 99 that attended the workshop. Each member county was represented except for Kane County. The personnel director was registered but did not attend. Two non-member counties, Daggett and Summit, had representatives attend. Shawn reviewed the results of the 75 workshop surveys that were returned (see attachment #2). 96% rated the workshop as excellent or very good. Most of the costs were recouped (all but approximately \$830 which is down from \$3000 last year) from registration fees. Any overage will be paid out of the training line item under the administration budget.

Jail Commanders Training Agenda. Shawn Guzman reported that the Jail Commanders are becoming more pro-active in becoming trained in the areas of jail litigation and how to handle certain situations that arise in jails (see attachment #3).

Planning & Zoning Training ULGT/UACIM. UAC Insurance Mutual has not focused its training efforts in the area of planning and zoning because its coverage agreement has exclusions for land use coverage. The Utah Local Governments Trust (a direct competitor of the Mutual) is providing this training to county officials and employees. The concern is that the Trust does not have responsibility for coverage and is training these officials and employees without any input from the Mutual or with any regard to its coverage agreement. Shawn Guzman has contacted Gene Moser and Gene Carr who conduct this training for the Trust and who have stated that they are unwilling to allow the Mutual to co-sponsor the training. This gives the impression that the Trust is using this training for marketing purposes only. The Board directed Brent Gardner and Shawn Guzman to make a list of training conducted by the Mutual, i.e., personnel, civil rights, law enforcement, etc. for the Board to prioritize at the next meeting.

SUMMARY of FINANCIAL STATEMENTS

Brett Rich explained that the 1999 audit conducted by Larsen and Company is complete. The Audit Committee met this morning and is satisfied that the audit accurately reflects the position of the Mutual. A management letter was not issued because the auditors had no item suggestions for the Board. Brett read the Report on Internal Control that states; *we noted no matters involving internal control and its operation that we consider to be material weaknesses.* In the audit report it states; *in our opinion the financial statements present fairly in all material respects, the admitted assets liabilities and surplus of the Utah Association of Counties Insurance Mutual as of December 31, 1999 and 1998 and the results of its operations and its cash flow for the years then ended.* Ken Bischoff made a motion accepting the 1999 audit report, audit of internal control and directed Brett to file the audit with the Insurance Department and NAIC. Kent Petersen seconded the motion, which passed unanimously.

The financial statements of the month ending March were previously sent to the Board for review. Brett Rich reviewed cash on deposit (page three) of a negative \$644,551, which is not a shortage in the account but the transfer of funds to pay the debentures and interest. Excess receivables are up to \$102,027 (the amount owed by AIG). Surplus is at \$3,515,767 following the payoff of the debentures. Net Income for the first quarter (page four) is at \$125,370. Non-admitted assets (page five) increased to \$63,750 because of pre-paid expenses—these will fluctuate as the year passes. Net investment income received (page six) is at \$143,972. Cash and short-term investments are at \$1,638,953. Note five on page nine shows the amount of interest owed on the surplus notes, which was paid early April once the PTIF rate for March was established. The budget comparison (page twelve) shows investment income at 36% that is better than budgeted wherein the year is 25% complete. Net income is at 30.5%. The Board accepted the March financial statements as presented.

SET DATE and TIME for CLOSED MEETING

Chad Johnson made a motion to set the date and time for a closed meeting to begin at 12:20 p.m. on May 25, 2000, to discuss pending or reasonably imminent litigation. Sarah Ann Skanchy seconded the motion, which passed unanimously.

Chad Johnson made a motion to conclude the closed meeting at 12:40: p.m. on May 25, 2000. Ken Bischoff seconded the motion, which passed unanimously.

ACTION on LITIGATION MATTERS

Kent Sundberg made a motion authorizing settlement of claim number 801WEB998639 in an amount up to \$65,000. Royal Norman seconded the motion, which passed unanimously.

Kent Sundberg made a motion authorizing the endorsement of check number 05225409. This check was issued by AIGTS made payable to Utah Association of Counties Insurance Mutual for claim number 801BOX958050. The endorsement shall make this check payable to First Colony Life Insurance Company pursuant to instructions from Ms. Kathleen Brady of AIGTS. The authorization is subject to receipt of a signed copy of the memorandum of understanding that Jeff Powell faxed to Ms. Brady on this date, May 25, 2000. Kent Petersen seconded the motion, which passed unanimously.

VACANCY of DIRECTOR'S POSITION

Brent Gardner recommended that the Board consider hiring Shawn Guzman as the new UACIM Director and recruit for the position of Loss Control Manager. Pursuant to the Board's request, Brett Rich will extend his departure date from June 1 to June 15. The Board continued discussions of this item in closed meeting. Kent Sundberg made a motion to offer the position of UACIM Director to Shawn Guzman with a salary increase of \$5000. Royal Norman seconded the motion, which passed unanimously. Chad Johnson made a motion directing Brent Gardner to advertise for the position of Loss Control Manager with a salary range of \$52,000-\$62,000. Royal Norman seconded the motion, which passed unanimously.

SET DATE and TIME for CLOSED MEETING

Ken Bischoff made a motion to set the date and time for a closed meeting to begin at 1:00 p.m. on May 25, 2000, to discuss the character, professional competence or physical or mental health of an individual. Royal Norman seconded the motion, which passed unanimously.


Chad Johnson made a motion to conclude the closed meeting at 1:30: p.m. on May 25, 2000. Royal Norman seconded the motion, which passed unanimously.

OTHER BUSINESS

Tex Olsen brought before the Board a concern of potential conflict with the Mutual paying the Association an administrative fee that includes a salary for Association employees to manage the Mutual (conflict in lines of authority). Gary Herbert stated that the Board of Trustees manages/operates the Mutual not Association employees. Brent Gardner stated that there have been no problems with conflicting opinions since the inception of the Mutual and that it is important for the Mutual and the Association to work cooperatively together. The Mutual needs access to the county officials for training purposes, political purposes, lobbying purposes, etc. and they get that with the arrangement made with the Association. The Board agreed not to continue this discussion at this time.

The next meeting of the Board of Trustees will be held on Thursday, June 22, 2000 at 9:30 a.m. at the Utah Association of Counties building.

Approved on June 22, 2000


Sarah Ann Skanchy, UACIM Secretary-Treasurer
Cache County Council Member

AFFIDAVIT OF GARY R. HERBERT

STATE OF UTAH)
 :SS
COUNTY OF SALT LAKE)

Gary R. Herbert, being duly sworn upon oath, deposes and says:

1. That the affiant has personal knowledge of the matters hereinafter referred to in this Affidavit.

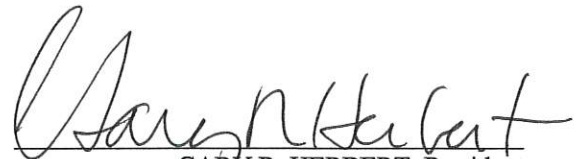
2. That the Affiant, on or about the 25 day of May, 2000, presided over a meeting of the Utah Association of Counties Insurance Mutual Board of Trustees, an open and public meeting within the provisions of Chapter 4, Title 52, Utah Code Annotated, 1953, as amended.

3. That a quorum of the Utah Association of Counties Insurance Mutual Board of Trustees was present and at least two-thirds of the members present, voted to close the meeting pursuant to the provisions of Section 52-4-4, Utah Code Annotated, 1953, as amended, for the purpose of discussing the character, professional competence, or physical or mental health of an individual.

4. That the affiant was present throughout the meeting and, pursuant to the provisions of Section 52-4-7.5, the affiant does hereby affirm that the sole purpose for closing the meeting was to discuss the character, professional competence, or physical or mental health of an individual or individuals.

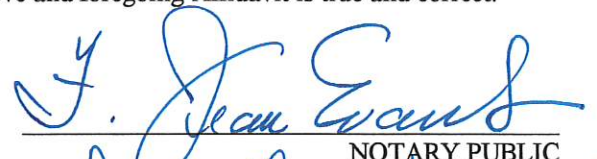
FURTHER, Affiant saith not.

DATED this 25 day of May, 2000.


GARY R. HERBERT, President
Utah Association of Counties Insurance Mutual

On the 22nd day of June, 2000, personally appeared before me Gary R. Herbert, who, after being by me duly sworn, deposed and said that the information contained in the above and foregoing Affidavit is true and correct.




NOTARY PUBLIC
Residing at: Salt Lake City, Ut.
My Commission Expires: 1/31/2002



Davis County Clerk/Auditor

RECEIVED MAY 26 2000

Steve S. Rawlings, CGFM
Clerk/Auditor

Mr. Brett Rich, UAC Insurance Mutual
4021 South 700 East, Suite 180
Salt Lake City, Utah 84107

Dear Brett,

We are in receipt of your fax dated May 23, 2000 – Reminder to submit MVR's and feel the following response would be appropriate:

Davis County, Utah currently has 875 employees and is considered by tax base, population, and budget to be a second class County. Our Personnel Department requires documentation and MVR's on all employees and monitors the validity of driver's licenses for all employees, including those required to drive on County business. Annual job reviews, including Code of Conduct verification also include appropriate detailed information related to employees required to have a current valid drivers license. This information has always been considered private information by Davis County and not released except by court order.

As you are aware, the County also has a Risk Management Team, which meets monthly, and reviews all pertinent information related to accidents, citations, etc.

On or before June 1, 2000 we will forward a current list of employees who drive County owned vehicles, are currently being monitored by the County Personnel Department, have valid current Drivers Licenses and are considered insurable by the standards required by the UACIM year 2000 policy.

In addition to the list that will be forwarded, the County reimburses a number of employees for using their personal automobiles and requires those individuals to have personal insurance coverage for any County related accidents, current valid drivers license and a MVR report substantiating their ability to meet County standards.

Our Civil Attorneys and Personnel Director have requested that County employee information related to MVR reports continue to be considered private and confidential but to furnish the UAC Insurance Mutual with a listing of employees driving County vehicles and verify that they are meeting current requirements.

We are assuming that the referenced information will meet the requirements for Auto Liability through UAC Insurance Mutual and the premium paid in January 2000 will continue to insure Davis County for all year 2000 policy coverage.

Sincerely


Steve S. Rawlings

CC: Commissioner McConkie, Risk Management Team, Brent Gardner

1000

2000 PERSONNEL WORKSHOP

Evaluation Results

Overall impression of the workshop.

Did you like starting the workshop with lunch?

Overall, how useful were the workshop topics?

How useful were the topic handouts?

What did you like best about this workshop?

What would you suggest we do differently?

How would you rank the speakers, topics & handouts?

Dean Campbell, *Back to the Basics--FLSA and FMLA*
 Susan Preator, *Performance Appraisals and Employee Coaching*
 James Woolsey, *Bryce Canyon*
 Shawn Guzman, *Title VII Harassment/EEOC Guidelines*
 Steve Baker, *Discipline, Documentation and Due Process*

What topics would you like to see at next year's workshop?

<u>Excellent</u> 20	<u>Very Good</u> 53	<u>Average</u> 2	<u>Poor</u>
<u>Very Enjoyable</u> 47	<u>Either Way</u> 23	<u>Could Do Without</u> 5	
<u>Very Useful</u> 59	<u>Average Usability</u> 16	<u>No Use To Me</u>	
<u>Very Useful</u> 50	<u>Average Usability</u> 25	<u>No Use To Me</u>	<u>No Handouts</u>

Topics and up-to-date, thorough information (17).
 Presentation on Performance Appraisals and Employee Coaching (13).
 Location (12).
 Presentation on Discipline, Documentation and Due Process (8).
 Presentation on Title VII Harassment/EEOC Guidelines (6).
 Networking with those in similar jobs capacities (6).
 Two half-day sessions (6).
 Very well organized (6).
 Interactive sessions with time for questions and answers (2).
 Fair Labor Standards Act issues.
 Casual environment.
 Visuals.
 Different speakers.
 Meals.
 On schedule.

DOL speakers did not follow handouts, did not leave time for Q&A, boring, confusing (10)
 More breaks (6)
 Meeting room was too crowded, too many people per table (6)
 Extend workshop so more time is spent on every subject (4)
 Audience participation, group scenarios, problem solving, hands-on (3).
 More bigger and better prizes (3).
 One-day workshop (2)
 More AV presentations instead of direct lectures (2).
 Discussions on actual county circumstances (without naming county).
 Accept written questions.
 More time spent on Title VII.
 Discussions on policies and procedures.
 Recognize counties attending.
 Have workshop in the middle of the week.
 Speakers did not repeat questions so it was difficult to follow discussions.

<u>Speaker</u>	<u>Topics</u>	<u>Handouts</u>	
3	3	3	1=poor
4	4	4	2=fair
4	4	N/A	3=average
5	5	4	4=good
4	5	5	5=excellent

Personnel/employment law updates (7).
 Hiring/Interviewing (4).
 Pre-employment testing/Random drug testing (4).
 Background investigations (3).
 Career service/merit commission alternatives (3).
 Writing personnel policies, manuals, job descriptions (3).
 Aging workforce (3).
 Stress/anger management (2).
 Evaluation process of employees who can no longer perform their job (2).
 Employee motivation/team work (2).
 Workers compensation (2).
 Ethnic Concerns.
 Employee assistance programs.
 Qualifications under Chapter 17.
 Return to work issues.
 Career advancement.
 Conflicts of interest.
 Time clocks v. handwritten time.
 Storing and handling of records.
 Liability issues for officials and department heads.

Moab (6), Park City (6), Homestead (5), Provo (5), St. George (5), Logan (4), Vernal (3)

Where would you like the next personnel workshop held?

Shawn Guzman

From: Lt. Von Williamson <vwilliamson@Cache.state.ut.us>
To: Lt. Bill Christensen <sanjuan.wchristensen@state.ut.us>; Capt. Jan Cunningham <janc@co.davis.ut.us>; Capt. John Carlson <ucso.johnc@state.ut.us>; Capt. Kirt Rippstein <krippstein@sevier.state.ut.us>; Capt. Robert Beemus <rbeemus@co.slc.ut.us>; Capt. Robert Dekker <rdekker@millard.state.ut.us>; Capt. Ron Adams <radams@co.slc.ut.us>; Capt. Steve Hunstman <shuntsman@co.slc.ut.us>; Capt. Troy Dial <tdial@co.slc.ut.us>; Chief Deputy Paul Cunningham <pcunningham@co.slc.ut.us>; Gary DeLand <gwd@infowest.com>; John Rogers <hjrogers@wasatchso.state.ut.us>; Lt. Glen Murray <gmurray@co.tooele.ut.us>; Lt. Mark Ewert <bcjail@gbasin.net>; Lt. Robert Braithwaite <robertbr@sanpeteso.org>; Lt. Von B. Williamson <vwilliamson@Cache.state.ut.us>; Mel Miller <gcso@color-country.net>; Owen Quarnberg <odqberg@aol.com>; Sgt. Kent Gr
Sent: Monday, May 22, 2000 6:43 AM
Subject: June Meeting Agenda

We have finally been able to get the training, etc. squared away so that we can set the agenda for the June Association Meeting. Gary DeLand has set up a two day training session in July on Employee Stress issues. This was a topic that was raised in our Training Committee Meeting in March. Since this two day training session is being held in Park City in July, we have scaled our June meeting back to a single day. The agenda will be as follows:

Thursday, June 1

0900 - 1000 Association Business Meeting

1000 - 1030	Colin Winchester, Kane County Attorney Chairman, State Bail Bond Surety Oversight Board	In-Jail Advertising for Bail Bond Surety Companies
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1030 - 1200 Procedures	Kent Green	Emergency Response
Jail		Review of Bomb Threat/Evacuation of Grand County

1200 - 1300	Lunch	Provided by Cache County Jail (Please RSVP to me by 5/30/00 with how many will be attending from your Jail)
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1300 - 1400 Kent Green (cont'd)

1400 - 1700	Gary Deland	The Process of Writing Policy & Procedure (Bring your priority list of policies that you need to write for this class)
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1700 Adjourn

Please get with Pres. Dekker ASAP on any business items you want discussed.

The meeting will be in the training room of the Cache County Sheriff's Office at 52 W 200 N, Logan, UT. As you come in from the south on US 89/91, you will come into Logan on Main Street. Turn west on 200 N and go one half block. The Sheriff's Office is on the south side of the street.

5/24/00

